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MAR 17 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**Telephone: 202/434-7300**  
**Fax: 202/434-7400**  
**Telex: 753689**

**Howard J. Symons**

**Direct Dial Number**  
**202/434-7305**

Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

The Rainbow representatives explained that a Rainbow-managed program service may be offered in some instances as part of the entry level basic tier of satellite services; in other instances as a stand-alone a la carte service; and in still other cases as part of a "hybrid" configuration (e.g., a discretionary package with or without an a la carte option). For example, a major cable MSO that offers the Bravo programming service on an a la carte basis (like HBO and Showtime) is charged a wholesale rate that is more than 1000% higher than the wholesale rate that the

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

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penetration of an a la carte offering. Rates charged to distribute Bravo in a "hybrid" configuration fall in between these two poles reflecting that the penetration will also fall between the two poles.

The Rainbow representatives argued that distributors who